FINAL SYNOPSIS OF THE THESIS TITLED

IMPACT OF FDI ON LIFE INSURANCE ADVISORS: A COMPARATIVE STUDY WITH SPECIAL REFERENCE TO DAKSHINA KANNADA AND UDUPI DISTRICTS

TO BE SUBMITTED FOR THE PH. D (COMMERCE) DEGREE OF MANGALORE UNIVERSITY

Researcher

Meenakshi Acharya

Reg. No: MU/EXB/Ph.D./CR.126/Com./2017-18/E.13

Department of Studies and Research in Commerce

Mangalore University

Mangalagangothri-574199

Research Guide

Dr. C. Kusumakara Hebbar

Associate Professor (Rtd.)

Department of Commerce

University College

Mangaluru- 575001

January – 2022

TABLE OF CONTENTS

Sl. No.	Description	Page No.
1.0	INTRODUCTION	1 - 2
1.1	KEY TERMS USED IN THE STUDY	2 - 3
1.2	REVIEW OF LITERATURE	3 - 4
1.3	OBJECTIVE OF THE STUDY	4
1.4	RESEARCH HYPOTHESIS	4 - 5
1.5	RESEARCH METHODOLOGY	5 - 7
1.6	CHAPTER SCHEME OF THE STUDY	7 - 9
1.7	DATA ANALYSIS AND INTERPRETATION	9 - 31
1.8	HYPOTHESIS TESTING	31 - 34
1.9	FINDINGS OF THE STUDY	34 - 38
1.10	SUGGESTIONS	38 - 41
1.11	CONCLUSION	41 - 42
1.12	SCOPE FOR FUTURE RESEARCH	42
1.13	REFERENCES	43 - 44
	RESEARCH PUBLICATION OF THE RESEARCHER	45 - 46

LIST OF TABLES

Table No.	Title	Page No.
1.1	Correlation among FDI and different variables	10
1.2	Correlation Coefficient between FDI, Branches in Karnataka, and Life Insurance Advisors in Karnataka	10
1.3	Cronbach Alpha value for questions	11
1.4	The Reason for joining the Profession of a life insurance advisor	12
1.5	Opinion of respondents on life insurance awareness among the public	13
1.6	Opinion of respondents on the period of claim settlements	13
1.7	Mean Ranking for the Factors related to Impact of FDI on Competition between Life Insurance Advisors of Udupi and Dakshina Kannada Districts	15
1.8	Factors related to the impact of FDI on Benefits to Life Insurance Advisors of Udupi and Dakshina Kannada Districts	16
1.9	Factors related to Service impact of FDI on Life Insurance Advisors of Udupi and Dakshina Kannada Districts	17
1.10	Factors related to Impact of FDI on Career of Life Insurance Advisors	18
1.11	ANOVA test value for opinion of respondents for various Age groups of respondents	19
1.12	ANOVA test value for opinion of respondents for various levels of Occupation of respondents	20
1.13	ANOVA test value for opinion of respondents for various levels of Experience of respondents	21
1.14	Group Statistics of Competition, Benefits, Service impact and Career impact of FDI on Private and Public sector respondents	22
1.15	Group Statistics regarding Perception of Respondents regarding Impact of FDI on Competition, Benefits, Service, and Career as Advisors between Male and Female respondents	23
1.16	Group Statistics regarding the growing number of Women advisors	24

1.17	Impact of Socio-economic Factors and Selected Variables on the Overall Performance of Life Insurance Companies in Udupi District	25
1.18	Impact of Socio-economic Factors and Selected Variables on the Overall Performance of Life Insurance Companies at Dakshina Kannada district.	27
1.19	Table showing Fit Indices for Udupi district	28
1.20	Table showing Multiple Correlations for Udupi district	29
1.21	Table showing Fit Indices for Dakshina Kannada district	30
1.22	Table showing Multiple Correlations for Dakshina Kannada district	30
1.23	Hypothesis testing	31
1.24	Findings of the study	35

1.0 INTRODUCTION

Insurance is a growing financial sector. It contributes a lot to nation-building. It increases the savings habit of people which results in the formation of capital that can be used for the infrastructure development of a nation. By paying a small amount of premium individual and business secures itself from certain misfortunes.

Insurance is not a new concept in India. The concept of insurance can be traced in *Manusmriti* of Manu, *Dharmashastra* of Yagnavalkya, and *Arthashastra* of Kautilya. In *Manusmriti* it was mentioned that a contract of insurance was a part of a contract of carriage. (Pal, *et.al.* 2007)[1] In 1870, an insurance company was formed by Indians, where life insurance policies for Indians, named Bombay Mutual Life Assurance Society. After this, the insurance concept was slowly spread in major two cities of India, namely Bombay and Calcutta. (Now, renamed as Mumbai and Kolkata) In 1891, King ruled state government introduced an insurance scheme to its employees. Proud to share the information that, that state is none other than Mysore State Government.

After the General Agreement on Trade and Services (GATS - 1995) of the World Trade Organization (Economic Reform), the Indian insurance sector opened up itself for new entrants from every corner of the world. Malhotra Committee was constituted in 1993. Committee recommended the privatization which was effected in 1999. From the year 2000, private life insurance companies along with Foreign Direct Investment entered the market.

In these entire years insurance sector experienced three different phases, pre-nationalization, nationalization, FDI, and privatization. One can call the period from 1818 to 1956 pre-nationalization era or perfect competition era, from 1956 to 2000 nationalization era or monopoly era. After 2000, it is the era of FDI and privatization or oligopoly era. The life insurance industry grew from a single life insurance company to twenty-four companies. Again this, oligopoly era can be studied as three stages of reforms. In the first stage, where Foreign Direct Investment cap by foreign partners of Life Insurance Company was twenty-six percent. The second stage, and after the introduction of The Insurance Laws

(Amendment) Act 2015, where FDI cap was increased from twenty-six to forty-nine percent. And the third stage, after the Indian Insurance Companies (Foreign Investment) Amendment Rules 2021.

The entire life insurance industry has grown over the years, in terms of the number of companies, their capital, products offered, number of advisors, and number of branches, life insurance penetration, and density. Foreign Insurance Companies with the Indian Insurance partners brought innovative products along with superior methods of customer service and greater use of information technology. (Chandrapal, 2019)[2] Growth and success of the life insurance industry could be identified under four core functions such as product designing, underwriting, claims management, and distribution. Similar to other functions, even in distribution activity, after opening up there are innovations. In the very first year of opening up of insurance industry, there were only three distribution channels, namely individual agents, brokers, and bancassurance. But now, there are arrays of distribution channels that help life insurance companies to reach their customers. The present study is on a traditional channel, which was a part of the life insurance industry, before and after privatization and FDI, i.e. life insurance advisors or in common words life insurance agents.

1.1 KEY TERMS USED IN THE STUDY

1.1.1 Insurance

Insurance is a promise of compensation for any potential future losses. It facilitates financial protection by reimbursing losses during a crisis. There are four major types of insurance. They are Life, General, Health, and Reinsurance.

1.1.2 Life Insurance

The present study focuses on Life insurance. Sec 2(II) of the Insurance Act 1938 defines "Life Insurance business is the business of effecting contract upon human life." Life insurance policy will have to be paid earlier, if he dies, or later if he survives the term. Among all the four types of insurances, life insurance contributes a lot to the economic development of a nation.

1.1.3 Foreign Direct Investment (FDI)

Department of Industrial Policy and Promotion (DIPP)[3] defines FDI as investment by non-resident entity/ person resident outside India in the capital of

an Indian Company under the Schedule 1 of Foreign Exchange Management (Transfer or Issue of Security by Resident Outside India) Regulations, 2000. FDI net inflows are the value of inward direct investment made by non-resident investors in the reporting economy.

The insurance sector in India got permission for FDI in the year 2000, where permission was for only 26 percent, which was in equity form through automatic route. Later in 2015, the insurance sector was opened up for a maximum limit of 49 percent. In the year 2021, with the amendment to Insurance Act 1938, permission was granted up to 74 percent of FDI in Insurance Companies.

1.1.4 Insurance Advisors

An individual advisor (commonly known as an agent) is a person who has undergone training, passed the prescribed examination, and is duly licensed by IRDA to sell insurance policies to the general public and provides after-sales service.

1.1.5 Insurance Regulatory and Development Authority (IRDA previously IRDAI)

The insurance Regulatory and Development Authority of India (IRDA) is the regulating authority for the insurance sector. IRDA frames the regulations for insurance companies and their intermediaries. The major objective of IRDA is to protect the policyholders. IRDA was formed in the year 1999, as per the recommendations of the Malhotra Committee report.

1.2 REVIEW OF LITERATURE

In this study, the review of literature has been conducted under two major criteria. They are national and international studies. Each criterion is again studied under six categories, such as Advisors, Policyholders, FDI, Technology, Economic growth, and Bancassurance & profitability. Sixty-three different works of literature conducted in India were reviewed and forty-four international works of literature were studied to identify the research gap.

There is no paucity of study on advisors, policyholders and their satisfaction, Foreign Direct Investment, impact of Foreign Direct Investment on the life insurance sector, on policyholders, and economic growth. But there is a dearth of

study regarding the impact of FDI on major distribution channels i.e. life insurance advisors or life insurance agents. The present study is an attempt to analyze the impact of FDI on life insurance advisors, particularly concentrated in Dakshina Kannada and Udupi Districts of Karnataka. Two districts were selected based on the CRISIL Inclusix ranking. Even though a majority of economic activities are at the same level, the CRISIL Inclusix rankings (CRISIL Inclusix Report 2013, 2018)[4] between the districts there was a difference. This made the researcher compare the opinion of respondents of two districts regarding the impact of Foreign Direct Investment in the life insurance sector on them.

1.3 OBJECTIVES OF THE STUDY

The overall objective of the study is to analyze the impact of Foreign Direct Investment on life insurance advisors of the Dakshina Kannada and Udupi districts of Karnataka. The specific objectives are,

- ✓ To study the role of FDI on the Indian Life insurance market.
- ✓ To compare the impact of FDI on competition/ business faced by life insurance advisors of the study area.
- ✓ To explore and compare the impact of FDI on benefits received by life insurance advisors of the study area.
- ✓ To compare the service and social impact of FDI on insurance advisors of the study area.
- ✓ To compare the impact of FDI life insurance career of advisors in the study area.
- ✓ To conclude and to give suggestions based on the study

1.4 RESEARCH HYPOTHESIS

In the present study following hypothesizes are framed and with the help of various statistical tools, these are tested.

H_1: There is no association between the number of private, public, and total branches, penetration, density, no. of advisors, and FDI.

H_2: There is no significant difference in the impact of FDI on Competition faced by Life Insurance Advisor of Life Insurance Companies of Udupi District and Dakshina Kannada District.

H_3: There is no significant difference in the impact of FDI on Benefits to Life Insurance Advisors of the life insurance Companies of Udupi District and Dakshina Kannada District

H_4: There is no significant difference in the Service impact of FDI of the life insurance Companies of Dakshina Kannada and Udupi District.

H_5: There is no significant difference in the impact of FDI on the Career of Life Insurance Advisors of the life insurance Companies of Udupi District and Dakshina Kannada District.

H_6: There is no significant difference in perception on the impact of FDI on Competition, Benefits, Service impact, and Career of Life insurance Advisors of Udupi and Dakshina Kannada Districts

H_7: There is no significant difference in the perception of advisors on the employment generation towards women in Dakshina Kannada and Udupi Districts.

H_8: Selected socio-economic factors and other selected factors have no impact on the overall performance of Life Insurance Company

The study attempts to answer the research objectives and research hypothesis. In the present study, **CBSC** (Competition, Benefits, Service, and Career) parameters are used to study the impact of Foreign Direct Investment on life insurance advisors of Dakshina Kannada and Udupi. Even though the study has focused on four parameters, little light was also thrown on the impact of FDI on the **B**usiness, **S**ocial and **E**conomic impact of FDI.

1.5 RESEARCH METHODOLOGY

Research Methodology is the organized proposal used to perform a scientific study.

1.5.1 Area of Study

The study was conducted in the Dakshina Kannada and Udupi districts of Karnataka to identify the impact of FDI in life insurance by making a study on life insurance advisors.

1.5.2 Sampling Design

In the present study, the sampling design consists of sampling unit, Period of study, sampling technique, and sampling size.

1.5.2.1 Sampling Unit:

The population of the study was entire life insurance advisors (agents) of Dakshina Kannada and Udupi Districts.

1.5.2.2 Period of Study:

In the case of secondary data, FDI and life insurance sector-related data for the period starting from the year 2000-01 till March 2020 has been used. Primary data was collected from 2018 till 2020.

1.5.2.3 Sampling size:

There were 41 life insurance branches operate in Dakshina Kannada and 26 life insurance branches operate in the Udupi district as of 31-3-2016. By visiting the branches number of active advisors was gathered. The sample size was determined by using Yamane's formula (Yamane, 1967)[5]. A sample of 692 (364 respondents from Dakshina Kannada and 328 respondents from Udupi District at 95 percent confidence level) life insurance advisors was selected from both the districts together. The primary data was collected from these samples through structured questionnaires. The selection of advisors was done through a stratified random sampling method. In both the districts each branch is treated as separate strata. From Dakshina Kannada 320 fully filled questionnaires were collected, so the response rate in Dakshina Kannada was eighty-eight percent. From Udupi 265 fully filled in questionnaires were collected, so the response rate in Udupi District was eighty-one percent.

1.5.2.4 Sources of Data:

a) Primary data

Primary data was collected through a questionnaire. In the questionnaire, the first section was regarding the demographic profile of the respondents, and

the second section focused on identifying the impact of FDI on competition, benefits derived by advisors, social as well as the career of advisors. To know the feasibility of the questionnaire pre-test was conducted with 10 respondents. Based on the feedback, modifications were done. The pilot study was conducted with 60 respondents. Questionnaire modification was made based on the feedback.

b) Secondary data

Secondary data for the study were collected from Annual reports of IRDAI, Handbooks of Insurance Institute of India, Life Insurance Council, Insurance Information Bureau of India, DIPP (Department of Industrial Policy and Promotion), journals, thesis's and working papers of IMF, Swiss Re reports, reports of KPMG, Geneva Association papers, etc.

1.5.2.5 Statistical Techniques:

Various statistical techniques were used to study primary and secondary data**.** Reliability Test, Percentage Analysis, Multiple Regression Analysis, Friedman's Test, ANOVA, and Structural Equation Modeling were used to test the primary data.

1.6 CHAPTER SCHEME OF THE STUDY

The study is coordinated in five chapters.

Chapter 1: Introduction

The first chapter deals with the inception and growth of the life insurance industry in India as a whole and Udupi and Dakshina Kannada Districts of Karnataka in particular. This chapter also presents an overview of risk, importance, and scope of insurance, benefits of insurance, economic development, insurance under the COVID-19 situation. A brief company profile of each life insurance company operating in India is given in the present chapter. It also presents the statement of the problem, objectives of the study. In this chapter hypothesis of the study, sampling procedure, data collection methods, and statistical tools used for the analysis of the data are discussed. It also includes the limitations of the study and the chapter scheme. This chapter ends with a conclusion and summary.

Chapter 2: Review of literature

In this chapter of the thesis, an attempt has been made to present the review of studies related to different aspects related to the life insurance sector. A review of the literature has been conducted on both national and international studies under two sections. In both, sections, a literature review has been made under different criteria such as advisors, policyholders, FDI, technology, economic growth, bancassurance, and profitability. Through literature review research gap is identified. This chapter ends with a conclusion and summary.

Chapter 3: Overview of Industry and Demographic Profile of Respondents

This chapter covers various regulations (Act) related to FDI and advisor brought by authority are discussed. Based on secondary data, analysis has been made by using the Correlation technique to identify the impact of FDI on public branches, private branches, penetration, density, number of advisors, and total branches of life insurance companies. Through correlation coefficient relationship between FDI, branches, numbers of advisors were identified for secondary data. This chapter also covers the study of the demographic profile of respondents through percentage analysis. The chapter ends with a conclusion and summary.

Chapter 4: Data Analysis

This chapter presents analyzed opinions of life insurance advisors of Dakshina Kannada and Udupi regarding the impact of FDI on life insurance advisors. This Chapter includes analysis in two sections.

A. In the first section, analysis was made to compare the opinions of life insurance advisors of Dakshina Kannada and Udupi on the impact of FDI on different parameters of CBSC by using Percentage Analysis, ANOVA, Friedman's Test, and Independent Sample t-Test.
B. In the second section analysis of life insurance advisor's opinion on the impact of FDI on the overall performance of life insurance companies has been studied with Multiple Regression Analysis and Structural Equation Modeling. Parameters BST were also included in Structural Equation Modeling. By using these statistical tools separate study has

been made for both districts. The chapter ends with the conclusion and summary.

Chapter 5: Findings and Conclusion

This chapter presents important findings of the study. Conclusions of the study and future scope for further study are also presented in this chapter.

1.7 DATA ANALYSIS AND INTERPRETATION

1.7.1 CORRELATION ANALYSIS

A correlation is a statistical measure to find out association between two variables. In the present study hypothesis was tested with correlation analysis. Hypothesis framed based on secondary data is as follows:

Table 1.1:

Correlation among FDI and different variables

		FDI	Public Branches	Private Branches	Penetration	Density	No. of Advisors	Total Branches
FDI	Pearson Correlation	1	.933**	.760**	.207	.892**	.605**	.872**
	Sig. (2-tailed)		.000	.000	.396	.000	.006	.000
	N	19	19	19	19	19	19	19
Public Branches	Pearson Correlation		1	.630**	.020	.763**	.456*	.788**
	Sig. (2-tailed)			.004	.936	.000	.050	.000
	N		19	19	19	19	19	19
Private Branches	Pearson Correlation			1	.709**	.932**	.907**	.975**
	Sig. (2-tailed)				.001	.000	.000	.000
	N			19	19	19	19	19
Penetration	Pearson Correlation				1	.595**	.818**	.568*
	Sig. (2-tailed)					.007	.000	.011
	N				19	19	19	19
Density	Pearson Correlation					1	.842**	.959**
	Sig. (2-tailed)						.000	.000
	N					19	19	19
Number of Advisors	Pearson Correlation						1	.851**
	Sig. (2-tailed)							.000
	N						19	19
Total Branches	Pearson Correlation							1
	Sig. (2-tailed)							

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).
Source: Various Annual Reports from IRDA [6]

Table 1.2:
Correlation Coefficient between FDI, Branches in Karnataka, and Life Insurance Advisors in Karnataka

Correlation coefficient between	Value
FDI and Total branches	0.7165
FDI and Total Advisors	0.8296
Number of Public Branches and Public Life Insurance Company Advisors	0.5876
Number of Private Branches and Private Life Insurance Company Advisors	0.7334

Source: Various Annual Reports from IRDA [6]

The data collected through questionnaires from life insurance advisors of the Dakshina Kannada and Udupi districts were analyzed using various statistical tools. . The analysis of data is presented in two sections.

Section A - relates to the study of variables Competition, Benefits, Service and Career impact on life insurance advisors of Dakshina Kannada and Udupi has been studied with the help of Percentage Analysis, ANOVA, Friedman's Test, and Independent Sample T-test

Section B – deals with the analysis of respondent's perceptions on the impact of various variables on the overall performance of Life Insurance Company. This has been studied with the help of Multiple Regression Analysis and Structural Equation Modeling.

1.7.2 Test of Reliability of Data: Cronbach Alpha

Cronbach alpha is a statistical method to measure the internal consistency or reliability of data. (Cronbach, 1951)[7] The higher alpha coefficient shows that the questions assessed measure the same concept. (Taber, 2018)[8] All the components had a Cronbach Alpha value of 0.9 and above. Hence researcher retained all the items under various categories in the questionnaire.

Table 1.3:

Cronbach Alpha value for questions

Question assessed:	**Total respondents (n=585)**
Impact of FDI on Competition in Life Insurance	0.854
Impact of FDI on Benefits to Life Insurance Advisor	0.852
Impact of FDI on Service	0.898
Impact of FDI on Career	0.894
Business impact	0.853
Social Impact of FDI	0.833
Impact of FDI on Economic status	0.886
Overall Reliability	0.870

Source: Primary Data

Measurement of the impact of Foreign Direct Investment on life insurance advisors, 42 elements are classified under 7 factors.

a) Competition – has ten variables items that consider the competition from different channels of distribution.

b) Benefit – has five variables that sum up the financial benefits obtained by an advisor from the company.

c) Service – four variables of service reveals the service provided to customers

d) Career – nine variables of career focuses on factors responsible for the success of a career as life insurance advisors.

e) Business – has seven variables and takes into account reasons why the customers choose the company.

f) Social – with four variables defines the impact on rural advisors, the appointment of advisors over different caste.

g) Economic- has three variables that define the economic status of advisors.

SECTION - A

Study of the opinion of life insurance advisors on impact of FDI on variables related to Competition, Benefits, Service, and Career.

1.7.3 PERCENTAGE ANALYSIS

Percentage analysis is a simple and clear method; here percentages are calculated for the response given by respondents. In the first stage of calculation, analysis of the perception of advisors on the Business Impact of FDI has been studied.

Table 1.4:
The Reason for Joining the Profession of Life insurance Advisor

	Dakshina Kannada		Udupi	
	Frequency	Percentage	Frequency	Percentage
It is my Passion	52	16.3	36	13.6
To get Dual income	114	35.6	112	42.3
To earn my Own Income	47	14.7	25	9.4
To earn income till I get Better Job Option	17	5.3	19	7.2
The sales manager convinced me to join	90	28.1	73	27.5
Any other (Specify)	-	-	-	-
Total	320	100.0	265	100.0

Source: Primary Data

Interpretation:

The above table and chart show that the majority of advisors from Dakshina Kannada (35.6 percent) and Udupi District (42.3 percent) have joined the profession to get dual income. Sales managers' convince is the other reason which is opted by maximum. From Dakshina Kannada, 28.1 percent and Udupi 27.5 percent of respondents have opted for the same. In Dakshina Kannada, more respondents have opted for this profession as a passion compared to Udupi District.

Table 1.5:

Opinion of respondents on life insurance awareness among the public

	Dakshina Kannada		Udupi	
	Frequency	Percentage	Frequency	Percentage
Life insurance awareness is growing among the public				
Yes	258	80.6	226	85.3
No	62	19.4	39	14.7
Total	320	100.0	265	100.0

Source: Primary Data

Interpretation

85.3 percent (n=226) respondents of Udupi District and 80.6 percent (n=258) respondents of Dakshina Kannada have agreed that life insurance awareness is growing among the public. 62 respondents of Dakshina Kannada and 39 respondents of Udupi District had denied that life insurance awareness is growing. This shows there is some percentage of the public in society are not aware of the benefits of life insurance.

Table 1.6:

Opinion of respondents on the period of claim settlements

	Dakshina Kannada		Udupi	
	Frequency	Percentage	Frequency	Percentage
In your life insurance company, normally claim settlements are made				
Within 15 days	135	42.2	118	44.5
15 days to 1 month	128	40.0	104	39.2
1 month to 3 months	56	17.5	42	15.8
3 month to 6 months	1	0.31	1	0.4

Source: Primary Data

Interpretation

In case of question related to opinion on the period within which claim settlements are made, the majority of 135 respondents (42.2percent) of Dakshina Kannada District and 118 respondents (44.5 percent) of Udupi District had an opinion that it will be made within 15 days. 82.2 percent of (n= 263) respondents of Dakshina Kannada District and 83.7 percent of (n=222) respondents of Udupi District had an opinion that claim settlements will be done within one month.

1.7.4 FRIEDMAN'S TEST

In the study data related to some factors were not normally distributed, the researcher opted for a non-parametric test. The normality of data has been tested with the help of Skewness and Kurtosis. By dividing the static value from standard error, one can conclude, whether the data is normally distributed or not. For the following variables, the value obtained was not within + or – 1.96. And Shapiro Wilk Test was conducted to check the normality, which showed a significant value of .000. (Shapiro and Wilk, 1965)[9] This indicates the data is not normally distributed. So the researcher has proceeded with a non-parametric test.

Table 1.7:
Mean Ranking for the Factors related to Impact of FDI on Competition between Life Insurance Advisors of Udupi and Dakshina Kannada Districts

	Udupi District		Dakshina Kannada District	
Factors related to the impact of FDI on Competitions - Ranks	**Mean Rank**	**Rank**	**Mean Rank**	**Rank**
Increased Competition	6.52	4	6.10	4
Competition from advisors of other company	4.54	7	3.86	9
Competition from advisors of the same company	6.68	3	6.35	3
Competition from Bancasurance channel	6.11	5	5.87	5
Increased online purchase of life insurance	3.67	8	4.99	7
Increased Direct sale by company	3.66	9	4.57	8
The company is strong enough to face competition	8.54	1	8.42	1
Instead of many companies, a single company in the life insurance industry would be a better option	4.99	6	5.04	6
The insurance industry can accommodate still more company	1.96	10	1.67	10
A large number of people still have not purchased life insurance from any Co.	8.33	2	8.14	2
	Friedman's Test value = 1289.066 d.f=09 p value = 0.000 < 0.01		Friedman's Test value = 1376.733 d.f=09 p value = 0.000 < 0.01	

Source: Primary Data

Interpretation

The calculated Chi-square value is 1289.066 for the Udupi district and 1376.733 for the Dakshina Kannada district. The significance value for 09 degrees of freedom is 0.000 which is less than 0.01. Hence one could infer that there is a significant difference in the mean ranking between the variables.

Table 1.8:

Factors related to the impact of FDI on Benefits to Life Insurance Advisors of Udupi and Dakshina Kannada Districts

	Udupi District		Dakshina Kannada District	
Factors related to the impact of FDI on benefits to Life Insurance Advisors - Ranks	**Mean Rank**	**Rank**	**Mean Rank**	**Rank**
Commission percentage increased	2.67	5	2.69	4
Vouchers and gifts are more for achieving the target	3.34	1	3.45	1
More number of local as well as foreign tours for achieving the target	3.16	2	3.20	2
Standard of living has increased after joining as an advisor	2.68	4	2.55	5
Advisors Insurance company gives more benefits compared to other life insurance companies	3.15	3	3.11	3
	Friedman's Test value = 64.732 ;d.f=04 p value = 0.000 < 0.01		Friedman's Test value = 107.995 ;d.f=04 p value = 0.000 < 0.01	

Source: Primary Data

Interpretation

The calculated Chi-square value is 64.732 for the Udupi district and 107.995 for the Dakshina Kannada district. The significance value for 04 degrees of freedom is 0.000 which is less than 0.01. Hence one could infer that there is a significant difference in the mean ranking between the variables.

Table 1.9:

Factors related to Service impact of FDI on Life Insurance Advisors of Udupi and Dakshina Kannada Districts

	Udupi District		**Dakshina Kannada**	
Factors related to Service impact of FDI on Life Insurance Advisors - Ranks	**Mean Rank**	**Rank**	**Mean Rank**	**Rank**
Provide service throughout the period	2.36	3	2.03	4
Quick settlement of complaints	2.34	4	2.13	3
Quick settlement of claims	2.59	2	2.76	2
Improvement in service provided to policyholders by company	2.71	1	3.08	1
	Friedman's Test value =22.464;d.f=03 p value = 0.000 < 0.01		Friedman's Test value = 194.286 ; d.f=03 p value = 0.000 < 0.01	

Source: Primary Data

Interpretation

The calculated Chi-square value is 22.464 for the Udupi district and 194.286 for the Dakshina Kannada district. The significance value for 03 degrees of freedom is 0.000 which is less than 0.01. Hence one could infer that there is a significant difference in the mean ranking between the variables.

Table 1.10:

Factors related to Impact of FDI on Career of Life Insurance Advisors

	Udupi District		Dakshina Kannada	
Factors related to Impact of FDI on Career of Life Insurance Advisors - Ranks	**Mean Rank**	**Rank**	**Mean Rank**	**Rank**
Improved organization atmosphere	5.72	3	5.82	3
Increased support of higher officers	5.03	4	4.88	6
A good amount of incentives (commission, tours, gifts)	4.72	7	5.03	4
Career development opportunity	2.37	9	2.06	9
Increased learning opportunity	6.45	2	6.47	2
Adjustable timings	4.53	8	4.43	8
Good teamwork	6.46	1	6.49	1
Good support of office staff	4.84	6	4.82	7
Training and meetings by the sales team	4.88	5	5.00	5
	Friedman's Test value =678.110; d.f=08 p value = 0.000 < 0.01		Friedman's Test value = 966.291; d.f=08 p value = 0.000 < 0.01	

Source: Primary Data

Interpretation

The calculated Chi-square value is 678.110 for the Udupi district and 966.291 for the Dakshina Kannada district. The significance value for 08 degrees of freedom is 0.000 which is less than 0.01. Hence one could infer that there is a significant difference in the Mean ranking between the variables.

Kim (2013)[10], Low and Aryadoust (2021)[11] stated that if the sample size is above 300, Skewness and Kurtosis values can be considered higher. Kurtosis value + or -7 can be considered as normal data. So the researcher proceeded with parametric tests also.

1.7.5 ANOVA (Analysis of Variance)

Analysis Of Variance (ANOVA) is a parametric test, normally used to identify the difference among the groups. To find out whether there is any difference in the opinion of respondents regarding the impact of FDI on Competitions,

Benefits, Service factors, and Career of Life Insurance Advisors between various levels of socio-economic variables two-way ANOVA was carried.

Udupi District

Levene's test was conducted to test the homogeneity of variances. Since *p* values are greater than 0.05 for the impact of FDI on Life Insurance Advisors for each of the socio-economic factors considered from the Test of Homogeneity of Variances there is no difference in variances. Hence researcher proceeded with ANOVA.

Table 1.11:

ANOVA test value for opinion of respondents for various Age groups of respondents

	Factors	**d.f**	**F value**	**Sig**	**Decision**
Age (Udupi District)	**Competition**	(3,261)	48.769	0.000	Reject
	Benefits	(3,261)	43.304	0.000	Reject
	Service Impact	(3,261)	7.943	0.010	Reject
	Career	(3,261)	2.126	0.097	Accept
Age (Dakshina Kannada District)	**Competition**	(3,316)	11.703	0.000	Reject
	Benefits	(3,316)	19.182	0.000	Reject
	Service Impact	(3,316)	12.690	0.000	Reject
	Career	(3,316)	0.894	0.492	Accept

Source: Primary Data

Interpretation

One can observe that there exists a significant difference in the perception of life insurance advisors as far as the impact of FDI on competition, benefits and social impact on life insurance advisors of both the districts between various levels of age groups as the p values are less than 0.05 which leads to the rejection of the hypothesis at 5 percent level of significance.

From Post Hoc comparison and means plot one can observe that up to 25 years of age forms one group who are at a high level of agreement.

Table 1.12:

ANOVA test value for opinion of respondents for various levels of Occupation of respondents

	Factors	d.f	F value	Sig	Decision
Occupation (Udupi District)	**Competition**	(6,258)	20.878	0.000	Reject
	Benefits	(6,258)	14.832	0.000	Reject
	Service Impact	(6,258)	3.795	0.000	Reject
	Career	(6,258)	0.710	0.642	Accept
Occupation (Dakshina Kannada District)	**Competition**	(6,313)	2.006	0.065	Accept
	Benefits	(6,313)	7.529	0.000	Reject
	Service Impact	(6,313)	4.585	0.000	Reject
	Career	(6,313)	1.330	0.243	Accept

Source: Primary Data

But one can observe that there exists a significant difference in the perception of advisors as far as the impact of FDI on benefits and service impact on life insurance advisors of Udupi as well as Dakshina Kannada districts between various levels of occupation as the p values are less than 0.05 which leads to the rejection of the hypothesis at 5 percent level of significance. Also, there is a significant difference in the perception of advisors as far as the impact of FDI on competition on life insurance advisors of Udupi district between various levels of occupation at a 5 percent level of significance.

From Post Hoc comparison and means plot one can observe that, among the advisors of the Udupi district, students form one group who are highly in agreement.

Table 1.13:

ANOVA test value for opinion of respondents for various levels of Experience of respondents

	Factors	d.f	F value	Sig	Decision
Experience (Udupi District)	**Competition**	(3,261)	39.523	0.000	Reject
	Benefits	(3,261)	19.308	0.000	Reject
	Service	(3,261)	6.587	0.000	Reject
	Career	(3,261)	1..787	0.150	Accept
Experience (Dakshina Kannada District)	**Competition**	(3,316)	6.163	0.000	Reject
	Benefits	(3,316)	14.777	0.000	Reject
	Service	(3,316)	10.007	0.000	Reject
	Career	(3,316)	2.187	0.089	Accept

Source: Primary Data

From the above table, one can observe that there exists a significant difference in the perception of respondents as far as the impact of FDI on Competition, Benefits, and Service impact on life insurance advisors of Udupi as well as Dakshina Kannada districts between various levels of experience as the p values are less than 0.05 which leads to the rejection of the hypothesis at 5 percent level of significance.

From the Post Hoc comparison and means plot one can observe that among the life insurance advisors of the Udupi district, advisors with less than 3 years of experience forms one group who are highly in agreement.

1.7.6 INDEPENDENT SAMPLE T-TEST

Independent Sample T-test also called a two-sample t-test, is a parametric test, designed to compare the means of two independent groups. The purpose of the test is to identify the statistical difference between the means of two samples (groups).

Table 1.14:

Group Statistics of Competition, Benefits, Service impact and Career impact of FDI on Private and Public sector respondents

District		Type of the company	N	Mean	Std. Deviation	Std. Error Mean
Udupi	Competition	Public	113	3.0553	.45311	.04263
		Private	152	3.2209	.34466	.02796
	Benefits	Public	113	3.6763	.23085	.02172
		Private	152	3.8914	.27363	.02219
	Service	Public	113	3.8186	.57501	.05409
		Private	152	3.6168	.52655	.04271
	Career	Public	113	3.8631	.20968	.01972
		Private	152	3.9052	.19507	.01582
Dakshina Kannada	Competition	Public	145	3.1511	.33750	.02803
		Private	175	3.3267	.36178	.02735
	Benefits	Public	145	3.6374	.20636	.01714
		Private	175	3.7948	.21789	.01647
	Service	Public	145	3.4000	.57840	.04803
		Private	175	3.5014	.56636	.04281
	Career	Public	145	3.8335	.24035	.01996
		Private	175	3.9132	.17887	.01352

Source: Primary Data

Interpretation

From the Independent Sample t-test, one can observe that there is a significant difference in the perception of the advisors of Udupi district in the impact of FDI on Competition, Benefits, and Service impact between Private and Public sector advisors as the p values are less than 0.01. From descriptive statistics, it is evident that the perception of Competition and Benefits is high in the Private sector advisors and perception of Service impact is high in the Public sector advisors.

For the advisors of Dakshina Kannada district, there is a significant difference in the perception of advisors between the Private and Public sectors in the impact of FDI on Competition, Benefits, and Career as advisors as the p values are less than 0.01. From descriptive statistics, it is evident that the perception is high among the Private sector advisors as compared to public sector advisors.

Table 1.15:

Group Statistics regarding Perception of Respondents regarding Impact of FDI on Competition, Benefits, Service, and Career as Advisors between Male and Female respondents.

District		Gender	N	Mean	Std. Deviation	Std. Error Mean
Udupi	Competition	Male	161	3.0370	.32143	.02533
		Female	104	3.3257	.45059	.04418
	Benefits	Male	161	3.7785	.23332	.01839
		Female	104	3.8325	.33242	.03260
	Service	Male	161	3.6149	.57282	.04514
		Female	104	3.8389	.50111	.04914
	Career	Male	161	3.8701	.21188	.01670
		Female	104	3.9137	.18385	.01803
Dakshina Kannada	Competition	Male	171	3.2383	.38208	.02922
		Female	149	3.2573	.33665	.02758
	Benefits	Male	171	3.7671	.24917	.01905
		Female	149	3.6734	.18571	.01521
	Service	Male	171	3.4649	.62327	.04766
		Female	149	3.4446	.51156	.04191
	Career	Male	171	3.8738	.21007	.01606
		Female	149	3.8809	.21566	.01767

Source: Primary Data

From the Independent Sample t-test, one can observe that there is a significant difference in the perception of the advisors of Udupi district in the impact of FDI on Competition and Service impact between male and female advisors as the p values are less than 0.01. From descriptive statistics, it is evident that the perception is high among the female advisors as compared to male advisors.

But for the advisors of Dakshina Kannada district, there is a significant difference in the perception of advisors in the impact of FDI on benefits as the p-value is less than 0.01. From descriptive statistics, it is evident that the perception is high among male advisors as compared to female advisors.

Table 1.16:
Group Statistics regarding the growing number of Women advisors

	District	N	Mean	Std. Deviation	Std. Error Mean
Increase in the number of local branches	Udupi	265	3.20	1.033	.063
	Dakshina Kannada	320	3.01	1.172	.066
Increase in number of women sales managers	Udupi	265	2.23	.859	.053
	Dakshina Kannada	320	2.38	.936	.052
Adoption of new technology(mobile, internet, social media)	Udupi	265	1.82	.862	.053
	Dakshina Kannada	320	1.86	.824	.046
Work-life balance is possible due to adjustable working hours	Udupi	265	2.77	1.193	.073
	Dakshina Kannada	320	2.78	1.194	.067

Source: Primary Data

Interpretation

From the Independent Sample t-test, one can observe that there is a significant difference in the perception of the advisors related to factors responsible for attracting women to the life insurance industry such as an increase in the number of Local branches and an increase in the number of Women sales managers at 5 percent level of significance as the p values are less than 0.05 but there is no difference in the factors Adoption of New technology (mobile, internet, social media) and Work-life Balance is possible due to adjustable working hours between the advisors of Dakshina Kannada and Udupi District**.**

SECTION B

Study on the opinion of life insurance advisors on impact of FDI and socio-economic factors on the overall performance of Life Insurance Company

1.7.7 MULTIPLE REGRESSION ANALYSIS

Udupi district

Table 1.17:

Impact of Socio-economic Factors and Selected Variables on the Overall Performance of Life Insurance Companies in Udupi District

Udupi District	Overall Performance of Life Insurance company (Y_1)			
	Unstandardized Coefficient (Beta)	***t*-value**	***p*-value**	**Collinearity Statistic- VIF**
(Constant)	-9.134	-5.253	.000	
Gender	.634	4.983	.000	1.860
Age	.170	2.454	.015	2.899
Educational Qualification	.082	1.571	.118	1.096
Occupation	.046	1.194	.234	2.373
Marital Status	.302	2.209	.028	1.760
Family Size	-.051	-.665	.507	1.513
Earning members in a family	.004	.041	.967	1.520
Monthly Income	.031	.376	.708	1.283
Type of the company	.085	.565	.573	2.663
Number of years of service	-.085	-1.414	.159	1.732
Competition Impact	.200	1.209	.228	1.335
Benefits Impact	1.119	3.723	.000	1.903
Service Impact	.204	1.951	.052	1.349
Career Impact	.795	2.899	.004	1.406
Business Impact	.113	1.607	.109	2.149
Social Impact	.016	.150	.881	1.053
Economic Impact	.108	1.299	.195	2.230
Adjusted R^2	57.5%			
F-value	9.118	0.000		

Source: Primary Data

The model predicts the dependent variable and the coefficient of determination, Adjusted R^2indicates 57.5 percent variation in the overall performance of Life Insurance Company is only explained by the selected variables, whereas, 42.5 percent variation is determined by other factors which are not considered. Gender, age, marital status, qualification, monthly Income, experience, family size, type of company and competition, economic impact, business impact, service impact, social impact, and career opportunity for the advisors could statistically predict the overall performance of Life Insurance Company, $F(17,247)=9.118$, $p<0.05$. The variables that are statistically significant at a 5 percent significance level are Gender ($p=0.000$), age ($p=0.015$), marital status ($p=0.018$), Benefits ($p=0.000$), and Career ($p=0.004$)

Dakshina Kannada District:

Table 1.18:

Impact of Socio-economic Factors and Selected Variables on the Overall Performance of Life Insurance Companies at Dakshina Kannada district.

Dakshina Kannada District	Overall performance of Life Insurance Company ***(Y2)***			
	Unstandardized Coefficient (Beta)	***t*-value**	***p*-value**	**Collinearity Statistic- VIF**
(Constant)	-3.910	-2.315	.004	
Gender	.595	4.782	.000	2.263
Age	.183	2.756	.006	1.700
Educational Qualification	.151	3.061	.002	1.110
Occupation	.016	.470	.639	2.509
Marital Status	.196	1.411	.159	1.460
Family Size	-.032	-.454	.650	1.517
Earning members in a family	.119	1.092	.276	1.714
Monthly Income	.102	1.351	.178	1.325
Type of the company	1.000	7.384	.000	2.663
Number of years of service	-.061	-1.056	.292	1.234
Competition Impact	.128	.893	.373	1.168
Benefits Impact	.518	1.660	.098	1.611
Service Impact	.090	.991	.323	1.172
Career Impact	.380	2.304	.022	1.556
Business Impact	.176	3.612	.000	1.961
Social Impact	.109	1.097	.274	1.056
Economic Impact	.381	6.196	.000	1.502
Adjusted R^2	69.2%			
F-value	16.728		0.000	

Source: Primary Data

The model predicts the dependent variable and the coefficient of determination, Adjusted R^2 indicates 69.2 percent variation in the overall performance of Life Insurance Company is only explained by the selected variables, whereas, 30.8 percent variation is determined by other factors which are not considered. Gender, age, marital status, qualification, monthly income, experience, family size, type of company and competition, economic impact, social impact, career impact, economic impact, service impact of the advisors could statistically predict the overall performance of Life Insurance Company, $F(17,247)=16.728$, $p<0.05$. The variables that are statistically significant at a 5 percent significance level are Gender ($p=0.000$), Age ($p=0.006$), Educational qualification ($p=0.002$), Type of company ($p=0.000$) Economic impact ($p=0.000$), Business impact (p=0.000), and Career impact ($p=0.002$).

1.7.8. STRUCTURAL EQUATION MODELING

Structural Equation Modeling is a confirmatory approach to analyze the causal relationship between multiple variables. There are three steps or parts in SEM, Confirmatory Factor Analysis, Path Analysis, and model.

Table 1.19:

Table showing Fit Indices for Udupi district

Fit statistic	**Recommended**	**Obtained**
x^2	-	87.597
df	-	30
x^2 **significance**	$p \geq 0.05$	.052
x^2 **/df**	≤ 5.0	2.919
GFI*	≥ 0.90	0.980
AGFI*	>0.80	0.969
NFI*	≥ 0.90	0.950
RMSEA*	≤ 0.05	0.039

*Hair et al. (2010)[12], Hu and Bentler (1999)[13], Byrne (2001[14], 2010)[15]

Source: Primary Data

GFI Goodness of Fit Index

AGFI Adjusted Goodness of Fit Index

NFI Normed Fit Index

RMSEA Root Mean Square Error of Appropriation

Table 1.20:

Table showing Multiple Correlations for Udupi district

	Estimate
Competition	.025
Economic	.205
Social	.005
Benefits	.284
Service	.176
Career	.026
Business	.325
Overall performance	.254

Source: Primary Data

The researcher observed that the Benefits impact of FDI on the Overall performance of life Insurance companies is 0.298 (29.8 percent), the impact of Career as advisors on the Overall performance of Life Insurance companies is 0.288 (28.8 percent), Economic impact of FDI on Overall performance of Life Insurance Company is 0.021 (2.1per cent), Service impact of FDI on Overall performance of Life Insurance Company is 0.007 (7 percent), the Business impact of FDI on Overall performance of Life Insurance Company is 0.047 (4.7 percent), Competition impact of FDI on Overall performance of Life Insurance Company is 0.046 (4.6 percent), Social impact of FDI on Overall performance of Life Insurance Company is 0.033 (3.3 percent),. There is an indirect effect of type of company on Overall performance which is given by 0.167 (16.7 percent).

Dakshina Kannada District

Table 1.21:

Table showing Fit Indices for Dakshina Kannada district

Fit statistic	Recommended	Obtained
x^2	-	21.948
df	-	17
x^2 **significance**	$p \geq 0.05$	.187
x^2 **/df**	≤ 5.0	1.281
GFI*	≥ 0.90	0.991
AGFI*	>0.80	0.966
NFI*	≥ 0.90	0.992
RMSEA*	≤ 0.05	0.031

*Hair et al. (2010)[12], Hu and Bentler (1999)[13], Byrne (2001[14], 2010)[15]

Source: Primary Data

Table 1.22:

Table showing Multiple Correlations for Dakshina Kannada district

	Estimate
Benefits	.160
Economic	.112
Service	.168
Business	.287
Competition	.039
Social	.063
Career	.126
Overall	.128

Source: Primary Data

The researcher observed that the Economic impact of FDI on the Overall performance of Life Insurance Company is 0.278 (27.8 percent); Service impact of FDI on Overall performance of Life Insurance Company is 0.054 (5.4 percent); the Business impact of FDI on Overall performance of Life Insurance Company is 0.128 (12.8 percent); Competition impact of FDI on Overall performance of Life Insurance

Company is 0.044 (4.4 percent); Social impact of FDI on Overall performance of Life Insurance Company is 0.044 (4.4 percent); Career impact of FDI on Overall performance of Life Insurance Company is 0.118 (11.8 percent) and an indirect impact of Type of the company on Overall performance of Life Insurance Company is 0.193 (19.3 percent) which is significant.

1.8 HYPOTHESIS TESTING

Table: 1.23

Hypothesis testing

Sl. No.	Hypothesis (Null)	hypothesis	Statistical tool used	Result
1	There is no association between the number of private, public, and total branches, penetration, density, number of advisors, and FDI	1	Correlation Analysis	Positive correlation between public branches, private branches, density, penetration, number of advisors, number of branches, and FDI
	Test of Reliability of data		Cronbach Alpha	Data collected are acceptable
3	There is no significant difference in the mean ranking for the factors related to the impact of FDI on Competition between Advisors of Dakshina Kannada and Udupi districts.	2	Friedman's Test	The null hypothesis is rejected (Sig. value (*p*)is less than 0.01)
4	There is no significant difference in the Mean ranking for the factors related to the Impact of FDI on Benefits to Life Insurance Advisors of Udupi and Dakshina Kannada District	3	Friedman's Test	The null hypothesis is rejected (Sig. value (*p*) is less than 0.01)
5	There is no significant	4	Friedman's Test	The null hypothesis is

	difference in the Mean ranking for the factors related to service impact of FDI on Life Insurance Advisors of Dakshina Kannada and Udupi Districts			rejected (Sig. value (*p*) is less than 0.01)
6	There is no significant difference in the Mean ranking for the factors related to the Impact of FDI on a career as Life Insurance Advisors of Udupi and Dakshina Kannada districts	5	Friedman's Test	The null hypothesis is rejected (Sig. value (*p*) is less than 0.01)
7	There is no significant difference in the perception of advisors regarding the impact of FDI on Competitions, Benefits, Service factors, and Career of Life Insurance Advisors between various levels of socioeconomic variables	6 (a)	Test of Homogeneity of Variances	Proceed to ANOVA (*p*-value is greater than 0.05)
8	There is no significant difference in the impact of FDI on Competitions, Benefits, Service impact and Career of Life Insurance Advisor between various levels of Age groups of advisors of Life Insurance Companies belonging to Dakshina Kannada and Udupi Districts	6 (b)	ANOVA (Analysis of Variance)	Rejected (for 3 out of 4 variables in both districts) (p-value is less than 0.05 for competition, benefits, and service impact) (p-value is greater than 0.05 for career impact)
9	There is no significant difference in the impact of FDI on competitions, benefits, service impact, and career as Life Insurance Advisors between various levels of occupation of the	6 (c)	ANOVA	Rejected (3 out of 4 variables in Udupi district and 2 out of 4 variables in Dakshina Kannada district) (p-value is less than 0.05 for competition, benefits and

	life insurance advisors belonging to Dakshina Kannada and Udupi Districts			service impact in Udupi district) (p-value is less than 0.05 for benefits and service impact in Dakshina Kannada district)
10	There is no significant difference in the impact of FDI on Competitions, Benefits, Service impact, and Career of Life Insurance Advisors between various Levels of Experience of the life insurance advisors belonging to Dakshina Kannada and Udupi Districts	6 (d)	ANOVA	Rejected (for 3 out of 4 variables in both districts) (p-value is less than 0.05 for competition, benefits, and service impact) (p-value is greater than 0.05 for career impact)
11	There is no significant difference in the perception of the advisors in the impact of FDI on Competition, Benefits, Service impact, and Career in Life Insurance Companies between the advisors of Udupi and Dakshina Kannada districts	6 (e)	Independent Sample T-Test	Rejected (3 out of 4 variables in both the districts) (Perception regarding Benefits and Service impact is high among respondents of Udupi district) (Perception regarding the impact of Competition is high among respondents of Dakshina Kannada district)
12	There is no significant difference in the perception of the advisors of Udupi and Dakshina Kannada districts in the impact of FDI on Competitions, Benefits, Service impact, and Career in Life Insurance Companies between Private and Public sector advisors	6 (f)	Independent Sample T-test	Rejected (p-value is less than 0.01 for competition, benefits and service impact in Udupi district) (p-value is less than 0.01 for competition, benefits, and career in Dakshina Kannada district)
13	There is no significant difference in the perception of the advisors of Udupi and Dakshina Kannada districts	6 (g)	Independent Sample t-test	Rejected as the p-value is less than 0.01 [for 2 (Competition and service)out of four variables

	in the impact of FDI on Competition, Benefits, Service impact, and Career between male and female advisors			in Udupi district] [for 1 (benefits) out of 4 variables in Dakshina Kannada district]
14	There is no significant difference in the perception of advisors on the employment generation towards women in Dakshina Kannada and Udupi Districts	7	Independent Sample t-test	Rejected (in 2 out of 4 variables equal variances not assumed)
15	Socio-economic factors and Selected Variables have no impact on the Overall performance of Life Insurance Company	8	Multivariate Regression Analysis	Rejected as the p-value is less than 0.05 [for gender, age, marital status, benefits and career impact in Udupi district] [for gender, age, educational qualification, type of company, economic impact, business impact, and career impact in Dakshina Kannada district]

16. Results of Structural Equation Modeling are as follows:

In Udupi district Benefits and Career, the impact has maximum influence on the overall performance of Life Insurance Company. In Dakshina Kannada district Economic impact, type of company, Business impact, Career impact on the overall performance of Life Insurance Company.

1.9 FINDINGS OF THE STUDY

The study furnishes the following results and findings:

1.9.1 Results based on secondary data

- Secondary data was collected from the year 2000-01 to 2019-20 collected from Annual reports of IRDA
- There is a significant positive correlation between the number of branches, number of private branches, density, penetration, number of advisors, the total number of branches, and FDI.

- The study analyzed that, there is a positive correlation between the number of public branches and density.
- The study also reveals that there is a high positive correlation between the number of private branches and density.
- There is a high positive correlation between the number of private branches and the number of advisors.
- The study also highlights that there is a high positive correlation between penetration, density, and the number of advisors.
- The analysis also highlights that there is a high positive correlation between the number of advisors and the total number of branches. It can be understood that, as the branches increase the number of life insurance advisors also increases.
- Secondary data related to Karnataka was considered for the period 2006-07 to 2019-20 (due to unavailability of data related to earlier years)
- The study also highlights that FDI and total advisors in Karnataka have a high positive correlation.
- FDI has a positive correlation between total branches in Karnataka.
- The study was made to compare the correlation between the number of public branches with public life insurance advisors and the number of private branches with private life insurance advisors. The study shows that the correlation between private branches and private life insurance company advisors is higher compared to the correlation between public branches and public life insurance advisors.

1.9.2 Profile of Respondents and findings of the study

Table: 1.24

Findings of the study

Sl. No.	PARTICULARS	UDUPI DISTRICT	DAKSHINA KANNADA DISTRICT
1.	Life Insurance companies operating	14	18
2.	Life Insurance Branches	26	41
3.	Population (Active advisors) (N)	1820	4100

4.	Sample size based on	Yamane's formula	Yamane's formula
5.	Sampling procedure	Stratified Random Sampling	Stratified Random Sampling
6.	Sample size (n)	265	320
7.	Response rate	81 percent	88 percent
8.	Male respondents	161	171
9.	Female respondents	104	149
10.	The maximum number of respondents work for	Private company (n=152)	Private company (n=175)
11	ANOVA [Analysis of Variance] test result – reject the hypothesis if the p-value is below 0.05		
	Three out of four variables are rejected in the Udupi district and Dakshina Kannada District. Young respondents of both the districts agreed that there is Competition, Benefits, and Service impact of FDI.		
	Three out of four variables are rejected in the Udupi district and Two out of four variables are rejected in Dakshina Kannada. The impact of FDI on competition and benefits are accepted by Student groups and service impact is highly perceived by employees, self-employed, agriculturists, housewives, students in the Udupi district. In Dakshina Kannada benefits and service, the impact is perceived by the student group.		
	Three out of four variables are rejected in Udupi and Dakshina Kannada districts. Competition, benefits, and service impact of FDI were felt by the respondents with less than 3 years of experience.		
12	**INDEPENDENT SAMPLE T TEST**		
	There is a significant difference between the Competition, Benefits, and Service impact of FDI between Udupi and		

	Dakshina Kannada. Perception is high regarding Benefits and Service impact in Udupi district and impact of FDI on competition is felt more in Dakshina Kannada district.		
	Comparison between private and public company respondents :		
	In Udupi district, Competition and benefits impact is perceived high by respondents of Private sector. And service impact is felt high by Public sector respondents In Dakshina Kannada district, Competition, benefits, and career impact is felt high by Private sector respondents		
	Comparison between male and female respondents :		
	In Udupi district, Competition and service impact is felt high by female respondents In Dakshina Kannada district, Benefits impact is felt high by male respondents		
	Employment generation towards women	Yes	No
13	**MULTIPLE REGRESION ANALYSIS**		
	Adjusted R^2	57.5 %	69.2%
	F value	0.000	0.000
	Variables which has a positive impact on overall performance	Gender (p=0.000)	Gender (p=0.000)
		Age (p=0.015)	Age (p=0.006)
		Marital Status (p=0.018)	Educational qualification (p=0.002)
		Benefits (p=0.000)	Type of company (p=0.000)
		Career (p=0.004)	Economic impact (p=0.000)
			Business

			impact (p=0.000)
			Career impact (p=0.002)
	In the Udupi district, among the variables Gender, Age, Marital Status of respondents, and Benefits and Career impact of FDI have a positive impact on the overall performance of a company. In Dakshina Kannada district, among the variables Gender, Age, Educational qualification, Type of company of respondents and Economic impact, Business impact and Career impact of FDI has a positive impact on the overall performance of a company.		
14	**STRUCTURAL EQUATION MODELING**		
	In the Udupi district, respondents perceive that the benefits and career impact of FDI will influence the overall performance of a company. The type of company will also influence the overall performance of a company. From the total Impact one can conclude that, along with the variables identified, there may be other variables that influence the overall performance of a company. In Dakshina Kannada district, respondents perceive that the economic, business, career impact of FDI will influence the overall performance of a company. The type of company will influence the overall performance of a company.		

1.10 SUGGESTIONS

Based on the findings of the study and the following suggestions are presented from the study.

1.10.1 Government

- Various studies conducted across the world show FDI has a positive and negative impact. Government can think of conducting research to identify the FDI impact on the insurance sector in India, Break-even Point of FDI where both the countries are benefited can be studied.

- Government can think of a cross-country analysis of FDI and break-even point and required steps can be taken based on such research.
- Respondents had opined that, the government has already introduced few life insurance policies which are of very small premium suited for the population with a small income. Further to this, respondents suggested that, the government can think of making life insurance obligatory for all those who receive any kind of subsidy, scholarship, and other support from the government.
- Awareness of the benefits of life insurance is much needed by the general public. Government can think of introducing insurance education as a part of the curriculum.

1.10.2 Insurance Regulatory and Development Authority

- IRDA has brought various activities regarding awareness creation and increasing insurance penetration. But there are still a large number of people who are outside the per-view of life insurance. The study explores that, awareness of life insurance is growing among the general public. But to get more penetration just awareness is not enough. So the authority can think of arranging programs in educational institutions, Gram Panchayats, meetings of cooperative societies, and self-help groups regarding the creation of awareness among the people. With these activities at village level, insurance sector can compete with the banking sector.
- Respondents opined that, Authority has already introduced courses in life insurance. Respondents also felt that, the spread of such education has not reached the larger society. So, respondents from both the districts suggested, the authority to think about introducing formal education of life insurance from the school education itself. This may help to attract a large group of talented youth to take up the life insurance profession. Formal education of insurance creates awareness among the people.

1.10.3 Life insurance Companies

- Based on suggestions provided by the respondents, it is suggested that the creation of awareness regarding the benefits of life insurance is the important step to increase life insurance penetration. Compared to many districts in India, people from both districts are educated and know about life insurance. But the awareness to buy a life insurance policy is still low. Advisor penetration is little less in

Dakshina Kannada district, it is suggested to life insurance companies to increase their effort in the district.

- Respondents from both the district opined that, Life insurance companies should make it sure that, all terms and conditions are explained by advisors to policyholders to avoid any mis-selling (wrong selling) and bad name for the company and advisor community as a whole.
- To improve the life insurance habit among people and to give moral boost to life insurance advisors of Dakshina Kannada, (where CRISIL Ratings are lower compared Udupi district) life insurance companies operating in Dakshina Kannada can think of adopting and covering the villages as life insurance villages.
- High premium rates make the general public hesitate to buy policies of their choice. Insurance companies are suggested to think of introducing policies with small amounts of premiums every month so that innovative products are suited to Indian needs.
- As the career of life insurance advisor plays an important role in the personal life of advisor and for the overall performance of life insurance company, each company should give importance to career aspect either by fixing the small amount of remuneration or pension plans after successful completion of some years of service.
- As female population in both the districts are educated, it is suggested to life insurance companies to attract more female advisors into the field. This in turn increases the employment rate of women. In general, women has more pursuing power, which is much needed in life insurance field.
- It is suggested to the companies to adopt technology in areas of premium renewal, claim settlement. More technology adoption by the companies may attract more youngsters into the advisor profession.

1.10.4 Foreign Partner companies

- Local branches can become a success mantra, as local branches help to attract more local advisors and through which more remote policyholders can be reached. So foreign partner companies along with their Indian partners can think of setting up more local branches than concentrating only on district heads.

1.10.5 Life Insurance Advisors

- As a majority of people still depend on life insurance advisors to buy the life insurance policy, the onus is on advisors to provide correct information, to avoid problems during claim settlement.
- It is suggested that service to policyholders can help to face the competition impact of FDI. Having continuous touch with policyholders by providing information related to premium reminders, claim settlement procedures, innovative products suited to customers will help the long way.
- It is suggested that, advisors should up-date themselves with new procedures, products, by taking the trainings provided by authority and company.
- It is observed during the study that, some advisors switch from company to company. It is suggested that, this practice may harm the career of life insurance advisors.
- Consistency in career is the requirement for life insurance advisors. As the advisor continues his career, he will be in a better position to handle with the changes.
- In both the districts, bancassurance is gaining more importance. For insurance advisor, facing competition is inevitable, which is accepted by majority of respondents of both the districts. The competition can be tackled by life insurance advisors, only through better communication and better service to customers.
- As advisors are the link between customers and branches of life insurance companies, it becomes the part of responsibility of advisor to communicate the matters of concerns to both the parties.

1.11 CONCLUSION

From the above study on secondary data, one can observe that life insurance penetration and density are still low. Over two decades of privatization and FDI in the life insurance sector, penetration and density in the life insurance sector have increased but, the question is about the rate of increase.

From the analysis of primary data, one can observe similarities in various variables regarding the impact of FDI are concerned among the Dakshina Kannada and Udupi

districts. Differences are identified in the areas of Competition, Benefits, and Service impact. Respondents from the Udupi district perceived the impact of FDI on benefits and service a little higher compared to the perception of respondents of the Dakshina Kannada district. Respondents from Dakshina Kannada felt the impact on Competition is a little higher compared to the Udupi district. The life insurance advisors bring a larger share of the business. FDI and privatization have increased the number of advisors. There is no difference in the perception of respondents of both the district regarding the impact of FDI on the career is concerned.

As the advisors are the major link between the company and especially rural customers their presence and service are inevitable for the Indian life insurance sector. Life insurance advisors with knowledge and moral ethics are an asset to the industry. Life insurance advisors are the strong pillars of the life insurance sector. Along with new methods of distribution of life insurance, advisors should be given maximum priority.

1.12 SCOPE FOR FUTURE RESEARCH

The present study was conducted in Udupi and Dakshina Kannada, two districts of Karnataka state. There are scopes for further research. It is presented below

- ✓ The present study focused only on life insurance advisors, it can be extended to sales managers and policyholders.
- ✓ The study was conducted in two districts, it can be continued to the entire state or other states or entire country.
- ✓ The present study was confined to the life insurance sector, further research can be conducted in non-life insurance sectors.
- ✓ A comparative study of the impact of FDI on the life insurance sector of different countries can be conducted.
- ✓ Future studies can be conducted on different distribution channels.
- ✓ The impact of COVID -19 on the life insurance sector can be conducted.
- ✓ The influence of life insurance advisors on sustainable economic development can be studied.
- ✓ Further study can be conducted to identify the positive or negative impact of FDI in the insurance sector on economic development.

1.13 REFERENCES

1. Pal, Karam., Bodla B.S., Garg M.C. (2007), *Insurance Management Principles and Practices*. New Delhi: Deep & Deep Publications Pvt Ltd.
2. Chandrapal J.D. (2019). Impact of Liberalization on Indian Life Insurance Industry: A Truly Multivariate Approach, IIMB Management Review, Vol.31, Issue.3, 283-297. Retrieved from https://www.sciencedirect.com/science/article/pii/S0970389616301033#bib0009
3. https://dipp.gov,in/publications
4. CRISIL Inclusix Report (2013). Retrieved from https://www.crisil.com/content/dam/crisil/our-analysis/publications/crisil-inclusix/CRISIL-Inclusix-An-index-to-measure-indias-progress-on-financial-inclusion-vol1-june2013.pdf
   CRISIL Inclusix Report (2018) Retrieved from https://www.crisil.com/content/dam/crisil/our-analysis/reports/Research/documents/2018/march/crisil-inclusix-financial-inclusion-surges-driven-by-Jan-Dhan-yojana.pdf
5. Yamane, Taro. (1967), *Statistics, An Introductory Analysis*, (2nd Ed.). New York: Harper and Row.
6. IRDAI Annual Reports 2001-02, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 . Retrieved from https://irdai.gov.in/ADMINCMS/cms/frmGeneral_NoYearList.aspx?DF=AR&mid=11.1.pdf
7. Cronbach, L.J., (1951), Coefficient alpha and the internal structure of tests, *Psychometrika*, 16, 297-334. Retrieved from https://doi.org/10.1007/BF02310555
8. Taber. S. Keith (2018), The Use of Cronbach's Alpha When Developing and Reporting Research Instruments in Science Education, *Research in Science Education*, 48, 1273-1296. Retrieved from https://link.springer/article/10
9. Shapiro, S.S., and Wilk, M.B. (1965), An Analysis of Variance Test for Normality (Complete Samples), Biometrika, 52 (3/4), 591-611.
10. Kim, Young-Hae. (2013), Statistical notes for clinical researchers: Assessing normal distribution (2) using Skewness and Kurtosis, *Restor Dent Endod*, 38 (1), 52-54. Retrieved from https://doi.org/10.5395/rde.2013.38.1.52
11. Low, Lin, Rui, Andralyn and Aryadooust, Vahid (2021) Investigating Test-Taking Strategies in Listening Assessment: A comparative Study of Eye-Tracking and Self-

Report Questionnaires, International Journal of Listening. https://doi.org/10.1080/10904018.2021.1883433

12. Hair Jr, J.F., Black, W.C., Babin, B.J., and Anderson, R.E. (2010), *Multivariate Data Analysis* (7th ed.). Englewood Cliffs: Prentice-Hall.
13. Hu, L.T. and Bentler, P. M. (1999), *Cutoff criteria for fit indexes in Covariance Structure Analysis: Conventional criteria versus new alternatives*, Structural Equation Modelling: A Multidisciplinary Journal, 6(1), 1-55.
14. Byrne, B.M. (2001), *Structural Equation Modeling with AMOS*. Rahwah, NJ: Lawrence Erlbaum Associates.
15. Byrne, B.M. (2010), *Structural Equation Modeling with AMOS: Basic Concepts, Applications, and Programming* (2nd Ed.). New York, NY: Routledge

PUBLICATION DURING RESEARCH PERIOD

The researcher has published 3 articles in international journals and published 3 articles in national journals. The researcher also published 2 International and 2 National Conferences publications from the date of registration for the Ph.D. degree. Details of the same have been given in Table-1 and Table -2.

Table 1:

List of Publication in Journal

Sl. No	YEAR	ISSUE	NAME	ARTICLE	PAGE NO.
1	2016	VOL.1, ISSUE 2	INTERNATIONAL JOURNAL OF SCIENTIFIC RESEARCH AND MODERN EDUCATION ISSN (Online): 2455-5630 (PEER-REVIEWED)	A COMPARATIVE STUDY OF INSURANCE ADVISOR AND BANCASSURANCE CHANNEL IN SELLING LIFE INSURANCE PRODUCTS IN INDIA	105-108
2	2016	VOL.1, ISSUE 1	INTERNATIONAL JOURNAL OF ADVANCED TRENDS IN ENGINEERING AND TECHNOLOGY ISSN (Online): 2456-4664 (PEER-REVIEWED)	DIGITALIZATION OF INSURANCE SECTOR: ISSUES AND CHALLENGES TO AN INSURANCE ADVISOR	05 - 09
3	2017	VOLUME 2, ISSUE 2	INTERNATIONAL JOURNAL OF MANAGEMENT, TECHNOLOGY AND SOCIAL SCIENCES ISSN (Online):2581-6012 (PEER-REVIEWED)	A STUDY ON IMPACT OF FDI ON SELECTED PRIVATE SECTOR INSURANCE COMPANIES IN INDIA	55 - 60
4	2018	JULY - SEPTEMBER, VOLUME NO. VI, ISSUE NO1	THE JOURNAL OF INSURANCE INSTITUTE OF INDIA ISSN: 2278-6759	DIGITALIZATION OF INSURANCE SECTOR- AN ANALYSIS	20 - 22
5	2019	APRIL-JUNE, VOL.VI. ISSUE NO.IV	THE JOURNAL OF INSURANCE INSTITUTE OF INDIA ISSN:2278-6759	INNOVATIONS IN INDIAN LIFE INSURANCE SECTOR-TWO DIMENSIONAL ANALYSIS	43 - 47
6	2020	VOL.4, SPECIAL ISSUE XII	ASIA PACIFIC JOURNAL OF RESEARCH ISSN: 2320-5504 (PEER-REVIEWED)	NEW GUIDE POLE OF INSURANCE-INSURETECH	330 - 332

Table 2:

List of Publications in Conference Proceedings

Sl. No.	YEAR	DATE	INSTITUTION	TITLE OF THE PAPER	NATIONAL/ INTERNATIONAL	
1.	2016	29TH & 30TH APRIL	MANGALORE UNIVERSITY	CORPORATE SOCIAL RESPONSIBILITY AT BASF-A CASE STUDY ISBN: 978-93-84262-24-2	NATIONAL	ISBN
2.	2016	19TH &20TH AUGUST	MILAGRES COLLEGE	LIFE INSURANCE ADVISORS AND FINANCIAL INCLUSION ISBN: 978-81-929263-3-9	NATIONAL	ISBN
3.	2017	1ST,2ND &3RD FEBRUARY	UNIVERSITY COLLEGE HAMPANKATTA, MANGALURU	GREEN INSURANCE: LESS TRAVELLED PATH ISBN:978-93-86256-39-3	INTERNATIONAL	ISBN
4.	2018	23-24 NOVEMBER	SDMIMD MYSORE	A STUDY ON RELATIONSHIP BETWEEN LIFE INSURANCE ADVISORS AND OTHER FACTORS ISBN:978-93-83302-34-5	INTERNATIONAL	ISBN

Research Guide
DR. C.KUSUMAKARA HEBBAR

Research Scholar
MEENAKSHI ACHARYA